

Application No. 09/825,470  
Amendment dated March 26, 2004  
Reply to the Office Action of November 6, 2003

### **REMARKS**

Applicant has amended claims 1, 3-4, 6, 9-10, 16, 20-21, and added new claims 24-26. Claims 1-26 are now pending in this application.

In the Office Action dated November 6, 2003, the Examiner rejected claim 21 as being indefinite under 35 U.S.C. § 112. In addition the Examiner rejected claims 1-15 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Finally, the Examiner rejected claims 1-23 under 35 U.S.C. § 102(b) as being anticipated by Heckman et al. (U.S. Patent 5,875,431).

The undersigned has reviewed the November 6, 2003, Office Action and respectfully traverses all rejections for the reasons set forth herein. Each of the Examiner's rejections and concerns in the currently pending claims is addressed *seriatim*. The undersigned respectfully submits that no new matter has been added and requests that all pending claims be allowed as amended.

Prior to discussion of the merits of the rejections, some brief comments reviewing the invention may be helpful. The following comments are provided in an effort to further facilitate the Examiner's review of the invention and are not to be intended to narrow in any way the scope or breadth of the claimed invention.

In general, the present invention is directed to a computer implemented method and system for facilitating the identification, investigation, assessment and management of risks associated with a legal action. By way of example, corporate counsel and other decision makers

are often faced with business or regulatory obligations requiring prompt evaluation of present or proposed legal actions and containment of the risks that may result from any such legal actions. In order to properly and accurately assess these risks, so as to meet reasonable regulatory standards relating to risk containment, a substantial amount of information must be identified, acquired and then reviewed on an individual basis in order to reach a conclusion as to the high or low risk levels involved with a particular or proposed legal action. Performing each of these steps at a time in which a prompt risk factor assessment is necessary, imposes a significant burden on personnel responsible for carrying out such analysis and for providing a legal risk level assessment response. This burden may be particularly increased where the legal risk requiring assessment relates to an international legal action or an international party involved in a legal action.

The present invention can be used to facilitate the execution of these operations in real time by acquiring and maintaining all pertinent information in a legal action database, generating a risk score quotient, or other qualitative rating, for a particular legal action associated with a party to the action, and suggesting an undertaking commensurate with the risk quotient previously generated.

The undersigned notes that, although previously implicit in the recited claims, the undersigned has amended claims 1, 3-4, 6, 9-10, 16, 20-21, and added claims 24-26 to specifically utilize terminology present in the specification and clarify the claimed invention. Specifically, Applicant has amended independent claims 1, 16, 20, and 21 to further clarify how the method is meant to manage legal risk and to indicate that the risk quotient comprises a scaled

numeric or alpha-numeric value. Furthermore, Applicant has added claims 24-26 to further point out some other categories of persons and/or legal actions addressed by the present invention.

Applicant respectfully submits that no new matter has been added, that the amendments have been made in good faith and that Claims 1-26 are in proper form for allowance.

**a. 35 U.S.C. § 112**

The Examiner has rejected claim 21 under 35 U.S.C. § 112 for failing to particularly point out and distinctly claim the subject matter that the Applicant regards as the invention. The Examiner has indicated that claim 21 is rejected because it “reads on a computer data signal [which is] not generated by the steps but instead causes the computer to perform the steps.” See Office Action, p. 2.

The Applicant respectfully traverses this rejection and asserts that the “computer data signal” recited in claim 21 is sufficiently definite under 35 U.S.C. § 112, because the Applicant is not claiming a “computer data signal” per se, but rather a computer data signal capable of propagating the claimed steps.

However, in an effort to expedite the prosecution of the present invention and remove any concerns the Examiner may have with the “computer data signal,” the Applicant has amended claim 21 to further clarify and to more clearly point out that the “computer data signal” is embodied in a “transmission medium and transmitted via a communication network” and that the signal further comprises “a plurality of instructions for managing data relating to legal action risk, said instructions configured to cause a computer processor to” perform the claimed steps.

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Applicant submits that claim 21, as amended, meets the requirements of 35 U.S.C. § 112 and complies with the US PTO guidelines for computer related inventions set forth in Section 2106 of the MPEP. Accordingly, Applicant respectfully requests that claim 21, as amended, be allowed.

**b. 35 U.S.C. § 101**

The Examiner has rejected claims 1-15 under 35 U.S.C. § 101 on the grounds that the subject matter sought to be patented is not embraced by the patent statute. The Examiner acknowledges that claims 1-15 produce a useful concrete and tangible result as required for computer related invention to be considered statutory subject matter, however, he believes that said claims are not sufficiently related to the “technological arts,” and thus non-statutory.

Applicant respectfully traverses these rejections and submits that amended claims 1-15 constitute one or more computer implemented methods for enabling a computer to facilitate risk management and that such methods are within the technological arts. Because the Examiner has focused his rejection and comments on independent claim 1, on which claims 2-15 depend on, the Applicant, without waiving any argument that may otherwise be advanced for said claims, will likewise confine his remarks below.

The Applicant has amended claim 1 to more clearly point out that it is directed to a method, implemented by a computer, to facilitate the management or risk associated with legal actions. Accordingly, independent claim 1, and dependent claims 2-15, constitute a patentable invention as contemplated by 35 U.S.C. § 101.

The asserted reason for the Examiner's conclusion that the claims are non-statutory is that (1) none of the steps recited in claim 1 are directed to anything in the technological arts, with the exception of the preamble and that (2) nothing in the body claim 1 recites any structure or functionality to suggest that a computer performs the recited steps. Accordingly, the Examiner asserts that claim 1 is simply a recitation of an "abstract idea."

The Applicant respectfully submits that to interpret claim 1 as the recitation of an abstract idea is legally unsupported in light of recent interpretation of the patent statute as it relates to patentable computer implemented inventions. For instance, pending claim 1, as amended, in reciting a "computer implemented method...comprising...gathering data into a computer storage...receiving digital information into the computer storage...structuring [the information] with a processor...generating a risk quotient with a computer processor operatively attached to the computer storage" unambiguously points out that functional elements of a computer implement the claimed invention, i.e. perform the steps claimed and are integral to the claimed method. Accordingly, because the method claimed is inextrinsically tied to a computer, claim 1 contains a nexus to the "technological arts" and cannot reasonably be considered an "abstract idea," as the Examiner asserts.

It is well settled in the law that inventions like the one described in pending claim 1 constitute statutory subject matter. The Examination Guidelines for Computer-Related Inventions ("Guidelines"), issued by the United States Patent and Trademark Offices, direct Examiners to consider computer related inventions as statutory subject matter, as opposed to abstract ideas, laws of nature or natural phenomenon. See Examination Guidelines, p. 2-3.

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Furthermore, the Federal Circuit has held inventions claiming computer implemented methods to be clearly within the technological arts, and thus patentable. *See e.g. At&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352 (Fed. Cir. 1999); *State Street Bank and Trust Co. v. Signature Financial Grp, Inc.*, 149 F.3d 1368 (Fed. Cir. 1998).

In addition, the Guidelines direct Examiners to identify the features of the invention that would render the claimed subject matter statutory if recited in the claim. *See* Guidelines, p. 8. Despite the fact that the Examiner has failed to indicated in his Office Action which features of the invention would render the claimed subject mater statutory, the Applicant has addressed the perceived defect by amending claim 1 to more clearly point out the nexus to a computer into the elements of the claim. However, the Applicant respectfully traverses the rejection and reserves the right to pursue other claims which may or may not include similar claim language in one or more continuation and/or divisional applications.

For the foregoing reasons, Applicant respectfully submits that independent claim 1 is within the technological arts contemplated by the patent statute and requests that it be allowed together with claims 2-15 dependent on claim 1.

**c. 35 U.S.C. § 102**

Claims 1-23 stand rejected under 35 U.S.C. § 102(b) as being anticipated by Heckman et al. (US Patent 5,875,431) ("Heckman").

Heckman is specifically directed to and the description focused on a system and method for closed-loop legal strategic planning to provide a computer-generated legal strategy. The

Heckman system and method require a series of computer programs with strategic planning templates representing the best strategic practices. The templates are a key aspect of the Heckman invention and are created from previous legal cases successfully concluded, said cases having been identified as optimal paradigms in a given legal case category or type. The Heckman invention may also be implemented through a closed-loop control integrated into the system and method to dynamically monitor legal costs, billing, legal objectives and tasks, for instance, throughout the pendency of the legal action.

The Heckman invention, however, is not directed to a system and method that facilitates the identification, investigation, assessment and management of risks that may be associated with a proposed or pending legal action. Review of the Heckman patent shows that its system and method is intended to improve the management of legal decisions in already pending cases, and it essentially provides a computerized tool that aids in preparing and trying legal actions successfully. It achieves these goals by comparing the task to be undertaken to one or more templates, representative of the most desirable outcome in a given case type.

Furthermore, the Heckman patent in no way teaches or suggests a method or system related to the identification and evaluation of legal risk associated with a proposed or pending legal action, where multiple factors are gathered, structured, and scored with a pertinent risk quotient. In this regard, not only does Heckman not teach or suggest the calculation of a risk quotient to be associated with a given legal action, but also it doesn't contemplate the possibility of generating advice or a suggested action responsive to the risk quotient.

Accordingly, Applicant respectfully submits that the Hickman invention, as claimed and described in the patent, contains no elements of anticipation of a computer implemented legal risk management method and system for facilitating the analysis and quantification of risk associated with a proposed or pending legal action.

Turning to the rejection at hand, the Examiner has grouped together a number of claims and then made common rejections of each grouping rendering it impossible for the Applicant to determine how the references cited apply to each claim rejected. Applicant respectfully submits that the Examiner has failed to comply with the requirements of MPEP § 706, which specifically directs Examiners "to clearly articulate any rejection early in the prosecution process so that the applicant has the opportunity to provide evidence of patentability and otherwise reply completely at the earliest opportunity." See MPEP § 706 (8th Edition 2001).

Instead, by grouping together the rejections under Section 102(b), the Examiner has rendered his grounds for rejection of each claim unintelligible, and has left the Applicant to guess at what part of the prior art supports the rejection. While Applicant is he has been deprived of his opportunity to provide a meaningful response to each of the rejections early in the patent application process, Applicant heretoforth responds to said rejections in an effort to expedite the examination of the present application.

Referring to claims 1, 16, 20-22, the Examiner asserts that Heckman discloses

**a method, system, and a computer medium for managing risk related to a legal action comprising:**

**receiving information relating to a legal action;**



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**structuring the information received according to risk assessment factors;  
assigning a risk value to the information structured as risk assessment factors;  
weighing the risk factors according to relative importance; and  
calculating a risk quotient based upon the weighted risk factors and the risk value.**

The Applicant respectfully submits that the Examiner has done no more than reciting *verbatim* the elements of claim 1 in Applicant's invention, and that these elements are not disclosed or taught by the Heckman patent.

As the Federal Circuit instructs "a claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." Verdegaal Bros., Inc. v. Union Oil Co., 814 F.2d 628, 631 (Fed. Cir. 1987) (emphasis added); W.L. Gore & Associates v. Garlock, Inc., 721 F.2d 1540 (Fed. Cir. 1983); EMI Group N. Am, Inc. v. Cypress Semiconductor Corp., 286 F.3d 1342, 1350 (Fed. Cir. 2001). Furthermore the prior art reference must disclose each element of the claimed invention "arranged as in the claim." Lindermann maschinenfabrik GmbH v. American Hoist & Derrick Co., 730 F.2d 1452 (Fed. Cir. 1984). Simply put, for the present rejection to be proper under 35 U.S.C. § 102, the Heckman patent "must clearly and unequivocally disclose the claimed [invention] without any need for picking, choosing, and combining various disclosures not directly related to each other by the teachings of the cited reference." In re Arkley, 455 F.2d 586, 588 (C.C.P.A. 1972).

Turning to the rejection of claims 1, 16, 20-22, the Applicant is unable to discern from any of the citations of the Examiner how Heckman teaches or discloses all of the elements cited in the relevant claims, or much less how the unrelated columns and lines which the Examiner picked and chose out of the Heckman reference disclose the elements arranged as in the pending claims, as required to legally give rise to anticipation.

For instance, claim 1, 16, and 20-21, as amended, recite, *inter alia*, a method and system comprising the "structuring with a processor the information received according to risk quotient criteria." The citations to the Heckman patent made by the Examiner, instead, disclose that "one

way to structure case management so that strategies are emphasized is to form strategic case plans.” See Heckman, col. 7, lines 4-13. The disclosure then identifies the elements of said legal or litigation strategic plan as being (a) setting the long-term goal of the legal protection demanded, (b) making a summary of the case facts and material issues, (c) identifying the court system in which the case will be adjudicated, (d) identifying the current case development, (e) identifying the members of the legal team, i.e. staffing for case, (f) identifying the management tasks, i.e. assignments, (g) forecasting the legal fees and costs, (h) setting forth the objectives of the legal activity/litigation, (i) recording milestones in case development, (j) identifying short term or collateral objectives of the case, (k) setting forth projected needs for contingency planning, (l) determining impact of resources on short-term objectives. This disclosure makes clear on its face that the only structuring Heckman is teaching is an example of how the case management could be implemented, and certainly not a structuring of information relating to a legal action according to risk quotient criteria. In addition, the elements identified as being part of the legal or litigation strategic plan further evidence how the Heckman patent is not directed to the management of risk associated with a legal action, but rather to the management of a legal action itself, presumably by a group of attorneys or by a law firm.

Without attempting to guess at the Examiner’s beliefs as to why the citations to Heckman anticipate each and everyone of the elements in the pending claims, the Applicant hereby references claim 22 as another example of why the rejection is unfounded as a matter of law.

Specifically, Heckman does not disclose or in any way suggest, neither in the portions cited by the Examiner or anywhere else in the patent, “an automated legal action risk management server” or “receiving a risk quotient indicative of a level or risk associated with the legal action” as recited in claim 22. Precisely to the contrary, Heckman fails to completely disclose either expressly or inherently associating a risk level or a risk quotient with a particular legal action. Accordingly, because the teaching of generating a risk quotient is missing entirely, it wouldn’t be possible for Heckman to suggest receiving the risk quotient into a computer in response to a user’s request. It is important to note that the benchmarks or standards disclosed in

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Heckman are only used to determine what activities or goals are advisable in a pending litigation, and they do not serve to generate a risk quotient associated with a given legal action. In addition the disclosed benchmarks are not created according to risk quotient criteria, because they merely represent a desired outcome deriving from a successful activity in a completed legal action.

For the foregoing reasons, because not all elements of independent claims 1, 16, 20-22 are found in the reference as required by the patent statute as interpreted by the Federal Circuit, Heckman does not in any way anticipate the present invention and Applicant respectfully requests that they be allowed as amended. Moreover, because claims 2-15 and 17-19 depend on and, therefore, respectively include all of the limitations of claims 1 and 16, it is respectfully submitted that they are likewise not anticipated by Heckman and, accordingly, allowance is similarly urged. For the same reasons, new dependent claims 24-26 should also be allowed.

Finally, with reference to claim 23, which also stands rejected under 35 U.S.C. § 102(b), the Examiner has failed completely to provide any form of explanation as to why the claim is anticipated by Heckman. Because claim 23 depends upon claim 22, the Applicant hereby traverses the rejection and incorporates by reference all of the foregoing arguments. Accordingly, claim 23, like claim 22, is not anticipated by Heckman and the Applicant requests that it be allowed as submitted.


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**CONCLUSION**

For the foregoing reasons, the undersigned respectfully submits that claims 1-26, as amended, are in condition for allowance, and such allowance is courteously urged.

Respectfully submitted,

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